

## **SERVICE LEVEL AGREEMENT EXHIBIT 3**

### **CLAIMS PROCESSING**

**(IFS-SLA001)**

This Service Level Agreement Exhibit 3, Indiana First Steps Service Level Agreement 001, (“IFS-SLA001”) is subject to and hereby incorporated into and made a part of the Master Service Level Agreement (“Agreement”) attached to the Contract for Services resulting from BAA 01-52 and Statement of Work, effective January 1, 2003 (“Contract”), entered into by and between the Indiana Family and Social Services Administration, Division of Family and Children, an agency of the State of Indiana (“the State”), and \_\_\_\_\_ Corporation, (“\_\_\_\_\_”).

### **Business Objective and Scope**

This IFS-SLA001 sets explicit service level requirements for \_\_\_\_\_ in its execution of certain services provided for under the Contract. This IFS-SLA001 also sets forth the roles and responsibilities of \_\_\_\_\_ in providing the Services at the agreed upon levels, as well as any rewards or penalties to be assessed for exceeding or failing to meet the agreed upon service levels.

### **Summary of Services**

The specific service area included within this IFS-SLA001, Exhibit 3 is:

- Claims Processing

### **Policies, Procedures and Performance Metrics**

#### **Claims Processing**

Claims Processing measures:

1. Turn around time for the contractor to process and make payment to Indiana First Steps Enrolled Service Providers for services rendered to children and families who are eligible to receive services from the Indiana First Steps Program; and
2. Payment accuracy relative to accuracy between the claim document received and the claim adjudication results.

A penalty will be applied by the State by reducing the service amount paid to the Contractor for failure to deliver and/or provide a specified service level only when the failure is due solely to the Contractor’s actions or inactions.

Circumstances beyond \_\_\_\_\_’ control will not count against \_\_\_\_\_’ delivery metric for this service area. Examples of such circumstances include but are not limited to;

- Failure of the service provider to submit a claim with appropriate information, which would allow the claim to be processed for payment.
- Failure of the state of Indiana to timely transfer appropriate funds, which, if timely transferred, would allow \_\_\_\_\_ to make timely payment of processed claims to Indiana First Steps Program service providers.

**Performance Reporting & Monitoring**

\_\_\_\_\_ will utilize a project tracking tool or an automated and mutually agreed upon method to maintain information about service level performance.

Performance against above-listed Performance Metrics will be reported monthly. The report for each month will be delivered by \_\_\_\_\_ to the State's Indiana First Steps Program Manager by the 10<sup>th</sup> business day of the following month. The reports will be agreed upon by \_\_\_\_\_ and the State, and will include metrics to substantiate the service level.

**Service-Level Adjustments to Remuneration**

Service Level Adjustments to Remuneration will be made according to the following schedule.

Service Area	Service Failure	Penalty
Claims Processing Turn Around Time	<p>Failure to process claims is defined and measured to be: When the average turn around time for processing claims becomes more than (10) ten consecutive business days.</p> <p>An occurrence of failure is measured during a defined 30 day processing cycle, beginning when a claim is received from a service provider and contains sufficient information to be processed and ending on the payment date on the claim record.</p> <p>Performance will be calculated by taking the total number of process days (from received date through payment date) for all claims within the 30 day window divided by the total number of claims in that period, excluding incomplete claims.</p>	<p>Penalty is 10% of _____' invoice for that month for the Claims Processing business activities.</p> <p>The total penalty will be subject to the cap specified in the Master Service Level Agreement (Contract Exhibit 2).</p> <p>For each month in which Claims Processing Average claim payment time is 5 days or less, an incentive amount equal to 2% of the claims processing business activities invoice for that month will be tabulated to a Service Credit pool.</p> <p>This maximum penalty shall apply in the event _____ fails to meet multiple service levels within a month. _____ shall not be assessed any penalties if its failure to meet a service level is the result of, or related to, a failure for which _____ was previously penalized.</p> <p>The Service Credit Pool will have no cash value. However if a penalty is assessed under this or any other service area, the value of the pool may be used by _____ to offset this or any other service level penalty.</p> <p>The Service Credit Pool will be calculated and reported each month in the Service Level Reports.</p>

<p>Claims Processing Payment Accuracy</p>	<p>Failure to process claims and the payment of claims in an accurate manner is defined as follows:</p> <ul style="list-style-type: none"> <li>❑ whenever an incorrect claim payment is made for an amount claimed <ul style="list-style-type: none"> <li>❑ which does not appropriately relate to an amount authorized by the Indiana First Steps Program via the Single Point of Entry (SPOE) Intake/Eligibility Agent</li> <li>❑ for a specific service for a specific child and</li> <li>❑ for a specific enrolled service provider.</li> </ul> </li> </ul> <p>There will be three claim data entry quality audits done by _____ within the contract period. There will be 100 claims audited in each, with the claim payment verified from the claim document to the claim payment on the First Steps System. 98% correctness in the data entry process is the performance level expected.</p>	<p>Penalty is \$500 per audit of three audits to be performed where the accuracy rate is less than 98%.</p> <p>The total penalty will be subject to the cap specified in the Master Service Level Agreement.</p> <p>The service credit pool may be used to offset any penalties incurred in this category.</p>
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